

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:306
ANSWERED ON:01.03.2002
EXPORT OF SUGAR
ABDUL RASHID SHAHEEN;MANSINH PATEL

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether sugar exports have suffered as its export declined during the last six months;
- (b) if so, whether the main cause is the cost of production being over Rs. 13,500 per tonne and the export price are less;
- (c) if so, whether a large quantity of sugar stock are at present in the country and there is no market for its export;
- (d) if so, the details thereof till date alongwith the reasons therefor; and
- (e) the steps being considered by Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SREENIVASA PRASAD)

(a): As per the trade circles, during the last six month i.e. August 2001 to January 2002, a quantity of about 6,53,969.50 MTs (Provisional) has been exported as against the quantity of 6,44,518.5 MTs (Provisional) exported during the preceding six months i.e. from February 2001 to July 2001. Thus the export of sugar has not declined in the preceding six months.

(b): Does not arise.

(c)&(d): With the carryover stock of about 103.11 lakh tonnes (Provisional) at the beginning of 2001-2002 sugar season and the production of about 175 lakh tones, the total availability of sugar during the season 2001-2002 would be 278.11 lakh tonnes (Provisional) as against the consumption of 170.00 lakhs tones (Provisional) and export of about 15.00 lakh tonnes anticipated during 2001-2002. Thus, the closing stock would be around 93.11 lakh tonnes (Provisional) at the end of season 2001-2002. Therefore, the stocks of sugar at the close of the season, 2001-2002 are expected to be less than the stocks at the end of the preceding season.

(e): In order to boost export of sugar from India, the Government has taken the following measures:-

- (i) The quantitative restriction on export of sugar fixed earlier has been removed.
- (ii) Government has dispensed with the registration requirement for export of sugar with APEDA.
- (iii) The sugar meant for export has been exempted from the levy obligation.
- (iv) The quantity of sugar released for export is treated as advance free sale release to be adjusted in the free sale stocks of the sugar factories after a period of 18 months.
- (v) The levy exemption on the quantity meant of commercial export of sugar, if it can not be claimed by the sugar factories out of the sugar season from which the sugar is released to them due to completion of their levy obligation, the same can be availed by the concerned sugar factories from their production of next sugar season.
- (vi) DEPB at the rate of 5% of the F.O.B. value of export of sugar has been allowed.
- (vii) Hitherto only mill white sugar was being exported. It has been clarified that in addition to mill white sugar the sugar mills/exporters can also export raw sugar under the present EXIM policy.

In addition, Government has decided to undertake legislation to amend the Sugar Development Fund Act, 1982 to enable it, inter-alia, to utilize the Sugar Development Fund for defraying expenditure on internal transport and freight charges to the sugar factories on export shipments of sugar.

